



OFFICE OF THE CLERK/TREASURER
City of Burlington

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~ Request for Proposal ~

Capital Lease Financing

For

City of Burlington's Airport, Vermont

For Fiscal Year 2012

Proposals Due by 2:00 P.M. Eastern Standard Time
February 17, 2012

Please Label Proposals with Firm's Name and Address
and

~ RFP for Capital Lease Financing for City of Burlington's Airport ~

**REQUEST FOR PROPOSAL
FOR CAPITAL LEASE FINANCING
CITY OF BURLINGTON, VT**

The purpose of this Request for Proposal (“RFP”) is to solicit proposals from qualified firms to enter into a capital lease agreement (the “Lease”) with the City of Burlington (the “City”) for the financing of various capital purchases.

The City of Burlington is seeking approval from the City’s Board of Finance to enter into purchase contract for the operating needs of Burlington International Airport. The proposed capital purchase includes:

Boiler – Air Handler Replacement Project

The Airport has identified heating and ventilating equipment which needs replacement in the main terminal building. This project removes four (4) 1970s and 80s era boilers and replaces them with two (2) new high efficiency natural gas boilers. Additionally, it replaces two (2) 1970s era main air handling units with two (2) new high efficiency air handling units in the main airport terminal.

The City seeks to finance this capital purchase through a capital lease agreement. The estimated cost for the authorized project is approximately \$1.3 million. This financing should be bid as a non-bank qualified borrowing.

Some of this equipment has been purchased and paid for by the City during the fiscal year and will be funded directly back to the City. The remainder will be held in escrow until final submittal to vendors has been paid by the City. Authority for capital lease purchases is contained in the City’s approved budget and again as the equipment package for the lease is approved by the City Council’s Board of Finance.

The Lease will be structured as a tax-exempt capital lease. The terms of the financing would be a 5-year, equal semi-annual principal and interest payments, level annual debt service, with funds anticipated to be transferred from the lessor to the City on or before March 27, 2012.

All lease quotations should be calculated with semi-annual payments in arrears and shall include ‘failure to fund’ clauses as mandated for this type of government borrowing. The annual interest rate, the semi-annual payment amount, and the total payment amount should be included in the bid.

Because of the length of time between when the financing proposals are due (February 17, 2012) and when funds are expected to be transferred (on or before March 27, 2012), the City requests that the proposals include a fixed rate bid that is good for 45 days from the due date of the proposal. The fixed rate bid is requested in order to allow sufficient time for the Clerk/Treasurer’s Office to obtain the City’s Board of Finance approval of the Respondent’s fixed rate bid proposal.

Respondents to this RFP are advised to review Appendices A through C before beginning work on the proposal.

- (1) Term Sheet and Bid Form (Appendix A)
- (2) Investor Representation Letter (Appendix B)
- (3) Capital Asset schedule for this transaction (Appendix C)

The City's annual financial report for the most recent three fiscal years ending June 30th are found on the City's website: <http://www.burlingtonvt.gov/CT/>

Other general and background information regarding the City of Burlington may be obtained at the following web address: <http://www.burlingtonvt.gov/>

Terms and Conditions:

The City has the right to reject any and all proposals and to negotiate with one or more bidder to further modify the proposals. Submittal of a proposal does not create any right or expectation to a contract with the City. The City has the right to reduce the amount to be financed, to utilize alternative financing mechanisms, to disqualify any proposals not meeting the Request for Proposal due dates, to disqualify any proposals not following Request for Proposal communication procedures, and to disqualify any proposals not responsive to the criteria specified for evaluation. The City has the right to take into consideration the abstract and the formal content of the proposal. The City will not incur a financial obligation for any costs incurred by any company in preparing their proposals. The City reserves the right to request clarification of submitted information and to request additional information from Respondents.

All proposals and materials submitted in conjunction with the proposals will become the property of the City.

Additional Considerations:

Respondents wishing to negotiate modification of terms and conditions stated within this RFP must attach a copy of the City's RFP and show proposed changes (deleted sections with a strikeover and added sections in boldface type). A Respondent's failure to identify any such changes in their Proposal will preclude the Respondent from raising any such changes thereafter. The City's selection of any Respondent who proposes changes to the City's RFP terms shall not be deemed as acceptance of the Respondent's proposed changes. If bids are subject to additional terms that the City decides are not in its best interest, the City reserves the right to deem that proposal as unresponsive. At all times, the City reserves the right to evaluate other criteria it deems appropriate, whether or not such factors have been stated in this RFP, and to award the bid to a Respondent that is not the lowest bidder.

Lease Agreement:

The Respondent's proposals should include their proposed Lease Agreement and a full set of lease documents. The City will review these documents during its evaluation process of Respondents' proposals. At all times, the City reserves the right to use its own lease documents and to negotiate changes in the proposed agreements. The City reserves the right to accept or reject any changes in language and reserves the right to make final conforming changes to the documents.

QUESTIONS & INQUIRIES

Firms interested in responding to the RFP are specifically directed NOT to contact any employees or officials of the City other than those specifically designated in this RFP. Unauthorized contact may be cause for rejection of proposals at the City's sole and absolute discretion.

If you have questions regarding this RFP, e-mail your questions to: lmoffatt@ci.burlington.vt.us or lalemy@ci.burlington.vt.us by 2:00 pm EST Monday, January 30.

A summary of the substantive information pertaining to this RFP will be posted on the City's website at: <http://www.ci.burlington.vt.us/notices/rfp/> under "Requests for Proposals".

After January 30th, no questions or requests for interpretation will be accepted with the exception of City vendor compliance questions.

PROPOSAL SUBMISSION REQUIREMENTS

Time and Place for Submission of Proposals:

Proposals and all related materials must be received by 2:00 PM EST on February 17, 2012. Proposals may be hand delivered to the Clerk & Treasurer's Office at City Hall or mailed to:

City of Burlington
Attention: Rich Goodwin, Assistant CAO for Finance
Office of Clerk/Treasurer
149 Church Street,
Burlington, VT 05401

(Faxed proposals will not be considered.)

Contents of Proposal:

The following items must be included in your proposal and packaged in a box clearly marked with the Firm's Name and Address and **"RFP for Capital Lease Financing for City of Burlington's Airport, Vermont"**.

Complete but concise proposals are recommended for ease of review by the evaluation team. All parts, pages, figures, and tables should be numbered and clearly labeled.

A. Respondent's Contact Information

This section should contain the name of the contact person, the address, and the telephone number of the firm submitting the proposal.

B. Professional Experience

This section should contain all pertinent information relating to the Respondent's organization and experience that would substantiate its qualifications and capabilities to satisfy the requirements of the RFP. Proposals should provide a straightforward, concise description of the Respondent's company, certifications, licenses, and experience with municipal capital lease agreements.

This section should also include the resume of the lead professional staff person who will be assigned to this transaction, and two concise but descriptive summaries of this person's prior experience with representative lease financing transactions.

Marketing and sales type information should be excluded.

The Respondent's use of any and all third parties and subcontractors, as it relates to providing services under this proposal, must be fully disclosed and explained.

C. Original copies of all documents required to execute the financing

Respondents are required to submit their proposals with copies of all documentation required to execute financing. This includes, but is not limited to, all standard lease documents, equipment schedules, escrow agreement, proof of insurance, municipal guarantees, upfront payment requirements, and any security deposit requirements.

Also, each Respondent must indicate any specific covenants or security features that will be required to obtain a financing commitment.

Failure to provide all documentation required to execute the financing with the proposal package will result in the proposal being considered unresponsive.

D. Six (6) printed copies of each Respondent's complete proposal package.

E. Email to Rich Goodwin at rgoodwin@ci.burlington.vt.us containing the entire contents of the Respondent's proposal.

If it becomes necessary to revise any part of this RFP or otherwise provide additional information to potential bidders, an addendum will be posted on the City's website.

If you require additional information, please contact Laurel Moffatt at (802) 865-7015 or Lara Alemy at (802) 865-7553.

APPENDIX A

Term Sheet and Bid Form

TERM SHEET
TAX-EXEMPT LEASE PURCHASE TRANSACTION
FOR
CITY OF BURLINGTON, VERMONT
For Fiscal Year 2012

This term sheet is a summary of the terms for this financing and is not intended to be a complete description. Please refer to information provided in this RFP and its three Appendices for additional information.

Lessee:	City of Burlington
Total Transaction Size:	\$ 1,259,365
Structure:	Tax-Exempt Capital Lease Not Subject to Appropriation Level Debt Service
Rating:	Unrated
Method of Sale:	Private Placement
Term:	5 years
Credit Enhancement:	None
Security:	The equipment
Use of Proceeds:	The proceeds will be used to finance a capital purchase: Boiler – Air Handler Replacement Project

The Airport has identified heating and ventilating equipment which needs replacement in the main terminal building. This project removes four (4) 1970s and 80s era boilers with replaces them two (2) new high efficiency natural gas boilers, as well as replaces two (2) 1970s era main air handling units with two (2) new high efficiency air handling units in the main airport terminal.

* Subject to change

It is anticipated that the selection of a firm will be completed by February 24, 2012. The following are approximate key dates in connection with the lease financing. Actual dates will be set by the City.

RFP Timeline *

RFP issued by the City	January 20, 2012
Deadline for RFP questions (2:00 PM EST)	January 30, 2012
Answers to RFP questions available on-line	February 6, 2012
Proposals Due (2:00 PM EST)	February 17, 2012
Selection of Finalists	February 24, 2012
Board of Finance Approval Process	March 5, 2012
Submit proposed contract to City Council	March 12, 2012
Lease Closing on or before	March 27, 2012

* Each date is subject to change. Check website for latest schedule.

Transaction Description:

This transaction for \$1,259,365 will be an advanced funded transaction with a portion of the proceeds to be disbursed directly to the City for capital assets purchased prior to lease closing date and the remaining portion to be placed in an escrow account(s) to be held by the Escrow Agent from which the equipment invoices and the costs of issuance will be paid. For equipment that has been purchased and paid for by the City prior to Lease Closing, the City will submit invoices and payment documentation in order to receive the direct disbursement of proceeds. The City will make semi-annual principal and interest payments on the lease financing directly to the Investor; and the first principal and interest payment will be due in April 2012.

The City reserves the right to accept or reject any lease documents proposed by the Respondent. If bids are subject to additional terms, the City reserves the right to negotiate with Respondent(s). The City always retains its right to award the transaction to other than the lowest bid. Please attach the bid form and an amortization schedule for \$1,259,365 to complete the documentation.

The successful Respondent will be required to provide an investor representation letter at the time of closing. A proposed form of the Investor Representation Letter is contained in Appendix B.

City of Burlington reserves the right to reject all bids. The City reserves the right to cancel or postpone the bid date.

OFFICIAL BID FORM

TAX-EXEMPT LEASE PURCHASE TRANSACTION
FOR CITY OF BURLINGTON, VT
For Fiscal Year 2012

Transaction Size: \$1,259,365
Term: 5 years
Structure: Semi-annual payments of principal and interest in arrears.
Annual level debt service
Funds are estimated to be required in March, 2012.
First payment by Lessee will be in April, 2012.
Proposers should provide their all-in cost of financing.

I. FIXED RATE RESPONSE

Interest Rate: _____% This is a fixed rate bid that is good for the 45 days from the February 17th proposal due date to and including the timeline lease closing date of March 27th. Specify the basis for the recalculation of the rate should the lease closing occur after March 27th: _____

_____.

Payment Structure:

Total Principal Payment	\$ _____
Interest Calculation Method	_____
Issuance Cost	\$ _____
Total financing	\$ _____
Total Interest Cost Over Term	\$ _____
Semi-annual Payment Amount	\$ _____

*subject to change

Firm Name _____

Contact Person: _____

Email Address: _____

Telephone Number: _____

ATTACH AMORTIZATION SCHEDULE

APPENDIX B

Form of Investor Representation Letter

INVESTOR REPRESENTATION LETTER

To: City of Burlington, Vermont

Ladies and Gentlemen:

The undersigned (the “Lessor”) intends to enter into a Capital Lease Agreement dated as of _____, 2012 (the “Lease”) with City of Burlington, Vermont (the “Lessee”), to finance various capital purchases (the “Fixed Assets”) for several City Departments. The Lessor will advance funds under the Lease. All payments by the City under the Lease are subject to annual appropriation by the City Board of Supervisors of the Lessor.

The Lessor hereby agrees that its investment under the Lease shall constitute an affirmation, with respect to its investment under such Lease, of the following representations, upon which you may rely:

1. The Lessor understands that no official statement, prospectus, offering circular, private placement memorandum or other offering statement containing material information with respect to the Lease is being furnished and that the Lessor is responsible for making its own inquiry and analysis, exercising due diligence with respect to the Lessee, the Lease, the security therefore and other material factors affecting the security for and payment of the Lease.
2. The Lessor acknowledges that it has had the opportunity to obtain such information and materials as the Lessor believes to be necessary to evaluate the merits and risks of its investment in the Lease. In making its investment decision, the Lessor has relied solely upon its independent investigation and had the opportunity to ask questions and receive answers concerning the Lessee, the Lease, and the security therefore.
3. The Lessor has knowledge and experience in the financial and business matters that make it capable of evaluating the merits and risks of its investment in the Lease. The Lessor acknowledges that no market may exist for resale of the Lease. The Lessor is able to bear the economic risks of such investment for an indefinite period of time.
4. The Lessor acknowledges that it is an “accredited investor” as defined in Regulation D under the Securities Act of 1933, as amended.

5. The Lessor recognizes that in this transaction, the Lessor assumes responsibility for obtaining complete and accurate information needed to make its proposal, and for making such investigation as it deems necessary or desirable in connection with its decision to make its investment under the Lease.

6. The Lessor understands that the Lease will carry no rating from any rating service and, pursuant to exemptions therefrom, are not being registered under the Securities Act of 1933 as amended, and is not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state. The Lessor acknowledges that the Lease may be resold in the future only in compliance with applicable federal and state securities laws.

7. The Lessor is entering into the Lease solely for investment for the Lessor’s own account and not with a view to, or for offer or sale in connection with, a public distribution of the Lease. This letter is intended solely for the use and benefit of the addressees; no other person may rely hereon.

Lessor

Date